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No. 134] NEW DELHI, MONDAY, OCTOBER 10, 1955

MINISTRY OF COMMERCE AND INDUSTRY

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 10th October 1955

SUBJECT.—*Import Policy for washers falling under Part I-S. No. 25(b)/I-July—December 1955 period*

No. 59-ITC(P.N.)/55.—Attention of importers is invited to the remarks against S. No. 25(b)/Part I in Section II of the Red Book for July—December 1955 period, according to which licences granted under this sub-item will not be valid for the import of washers.

2. Representations have been received to the effect that there is no indigenous production of steel spring washers to I.R.S. specification No. H-20-52. It has, therefore, been decided to substitute the following for the existing remark:—

“Licences granted under this sub-item will not be valid for the import of washers other than steel spring washers to I.R.S. specification No. H-20-52 of the following types:—

- (1) Single coil square section spring washers,
- (2) Single coil flat section spring washers,
- (3) Single coil grider section spring washers, and
- (4) Double coil flat section spring washers.

3. This amendment may be deemed to have effect from the 1st July, 1955.

K. B. LALL, Jt. Secy.

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 10th October 1955

SUBJECT.—*Import of Newsprint falling under S. No. 44/V against concessional licences issued during January—June 1955 period*

No. 61-ITC(P.N.)/55.—In terms of paragraph 5 of this Ministry's Public Notice No. 20-ITC(P.N.)/55, dated 2nd April 1955, quota licences as well as O.G.L. Concessional Licences issued during January—June, 1955, period for import of Newsprint were to be issued subject to the condition that the Newsprint imported against such licences was required to be sold to consumers i.e. Newspapers only.

2. Representations have been received from the trade that against licences issued for O.G.L. commitments, Newsprint has, in certain cases, been imported in sizes and/or substance not suitable for Newspapers and, in consequence, importers are experiencing difficulty in disposing of their stocks.

3. To enable Government to examine this matter further, importers who have imported Newsprint in sizes and/or substance unsuitable for Newspapers should furnish the following information to the Chief Controller of Imports and Exports, New Delhi, as early as possible, but in any case not later than the 31st October, 1955.

- (i) Quantities held with sizes and landed cost.
- (ii) Whether imported against an O.G.L. commitment or quota licence. In the former case steps, if any, taken to stop shipments.

J. BYRNE,

Chief Controller of Imports and Exports.

RESOLUTIONS

PRICES OF LOCOMOTIVES AND BOILERS

New Delhi, the 10th October 1955

No. Eng.Ind. 17(17)/55.—By an Agreement, dated the 20th August, 1947, between the Railway Board and the Tata Sons, Ltd., the Tata Locomotive and Engineering Co. Ltd., (TELCO) undertook the manufacture and sale of boilers and locomotives at Tatanagar. The Agreement came into force for a period of 16 years from the 1st June, 1945 and provided for a certain phasing of manufacture. The Railway Board undertook to buy the production of the TELCO factory subject to certain terms and conditions, one of which was that when the factory would go into full production, the Board would buy at the rate of 50 locomotives and 50 boilers per annum. It was also agreed that if the factory achieved a higher rate of production and offered a larger number of locomotives and boilers in a year, the Board would be prepared to purchase such surplus production in preference to imports from abroad. The Agreement also provided the manner in which prices payable by the Railway Board for boilers and locomotives supplied by the Company from time to time should be determined.

2. Certain firm prices have been quoted by the Tata Locomotive and Engineering Co. Ltd., for the supply of locomotives and boilers during the periods from the 1st February, 1954, to the 31st March, 1955 and from the 1st April, 1955, to the 31st March, 1956. These prices are considerably higher than those quoted by foreign firms.

3. The Railway Board consider these prices to be excessive. In their view this may be due to a variety of factors, such as,—

- (a) defects in the calculation of cost of production and profit admissible;
- (b) inclusion of special charges which could be justified only during the period of development and not when the factory has more or less attained the stage of stable production;
- (c) higher capital costs on account of additional capacity lying idle.

4. TELCO, on their side, plead their inability to quote lower prices which are based on their actual cost of production and contend, *inter alia*, that the Railway Board's insistence on 75 per cent. of the components being produced indigenously, the procedure and set up of Railway Board's inspection at their Works as also the uneconomic size of boiler orders placed on them impede their production and as such are partly responsible for the high cost of their production.

5. It is desirable that the arguments and counterarguments referred to above should be examined carefully before a decision is reached as regards the prices to be paid to the firm for its locomotives and boilers. Government have, therefore, decided that the necessary enquiry should be conducted by the Tariff Commission under Section 12(d) of the Tariff Commission Act, 1951 (L of 1951). The Commission is accordingly requested to conduct the necessary enquiry and submit its recommendations on:

- (1) what should be the fair prices of locomotives and boilers manufactured by TELCO since the 1st February, 1954;

- (ii) for what period the prices recommended should hold good; and
- (iii) how the prices should be revised from time to time in future.

6. In conducting the enquiry, the Tariff Commission is requested to pay special attention to—

- (a) the costing system in force in the TELCO,
- (b) the effect of subsidiary business like the manufacture of trucks, etc., on the progress and cost of manufacture of boilers and locomotives,
- (c) the apportionment of idle time of men and machines among the various accounts,

and also to examine in particular the steps required—

- (i) to achieve the maximum economy in production, and to attain enhanced productivity and efficiency, and
- (ii) to maximise the utilisation of indigenous material and capacity in the manufacturing processes,

in the locomotive industry in India.

7. The Commission in its enquiry will be assisted by one or two technical experts of high calibre.

H. V. R. IENGAR, Secy.

